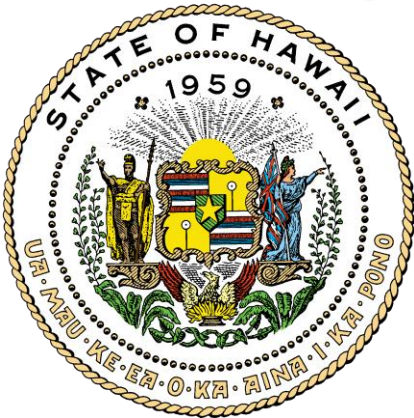


Capitalizing on Business Opportunities in Hawaii

US Japan Council Annual Conference
October 10, 2014



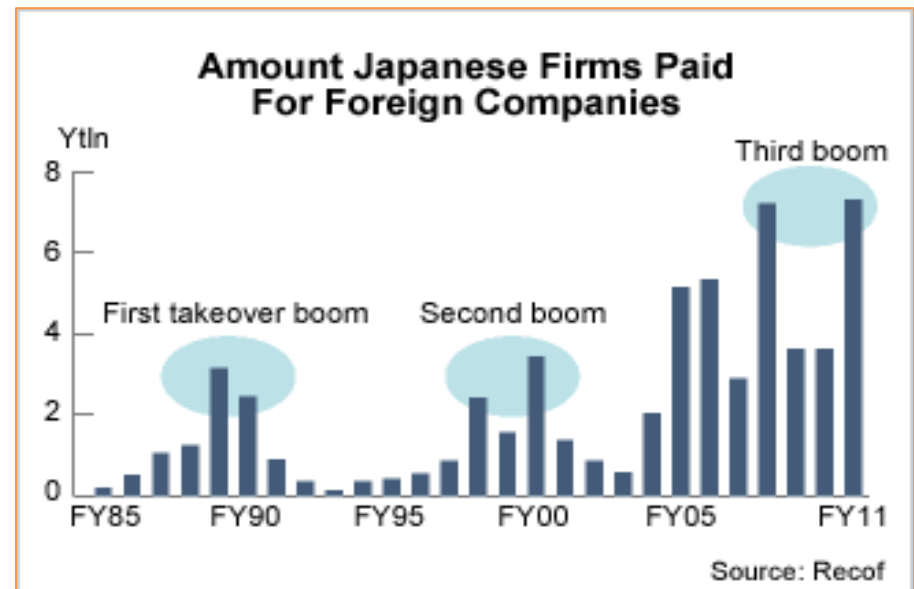
Presented by Richard Lim, Director

Hawaii State Department of Business, Economic
Development & Tourism

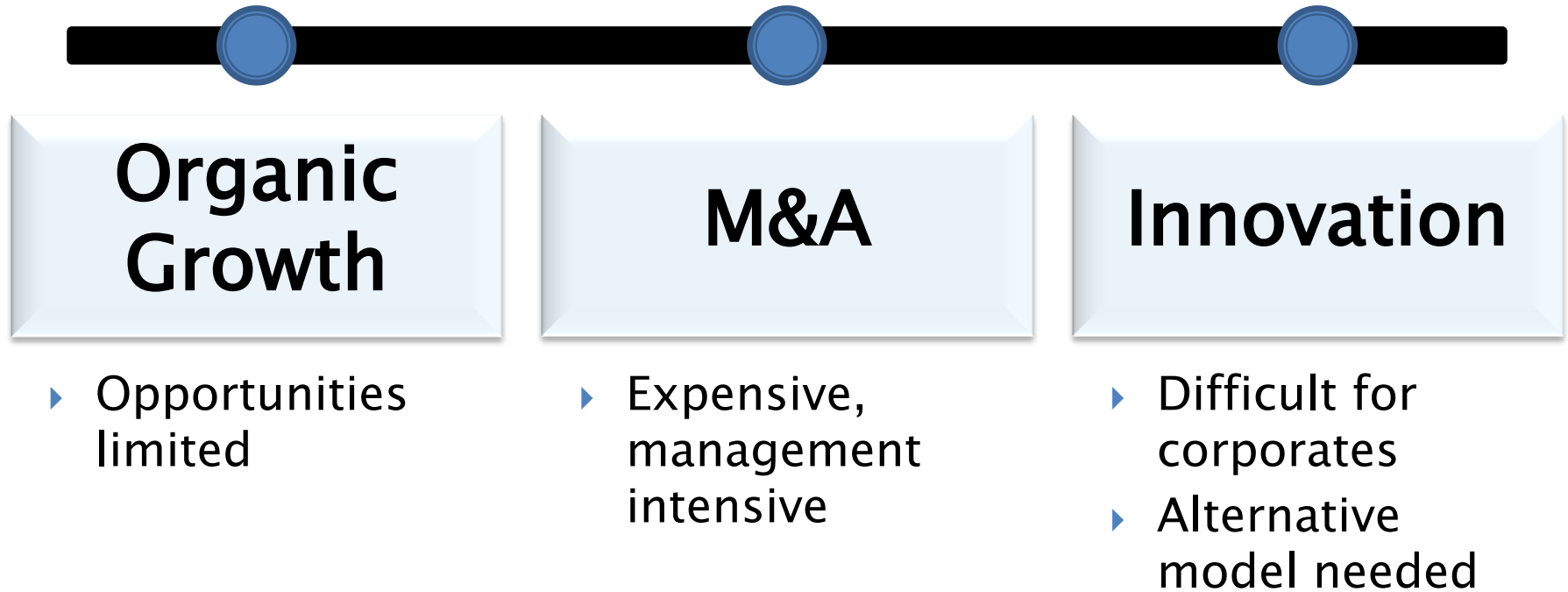
<http://hawaii.gov/dbedt>

Japanese Companies Are Increasing Overseas Investments

- ▶ Shrinking population constrains long-term domestic economic growth potential
- ▶ Japanese companies generate significant cash flow but have limited domestic investment opportunities
- ▶ Yen under pressure
- ▶ Strategic importance of increasing proportion of assets outside Japan
- ▶ JBIC loans to Japanese companies for financing overseas M&A



Corporate Growth Strategies



Innovation & Entrepreneurship

US Corporates have Adapted M&A Strategies to Focus on Innovation & Entrepreneurship

Acquiring Innovators



"I'm willing to acquire a company that might not have a lot of revenue, but has a lot of innovation. ... We'll take innovation any way you can give it to us."

–Marc Benioff, CEO

Forbes, 8/14/13

Secondment to Entrepreneurial Companies



"We want to really understand, to feel that entrepreneurial spirit that drives every single person working at the startup."

–Ed Kaczmarek, Director of Innovation & Emerging Technology

Wall Street Journal, 3/26/13

Venture Investing to Expand Markets



"As a corporate VC, we can simply bring more to the table. From our experience in mobile technology, industry insights and technical guidance, ... we leverage our know-how to help bring breakthrough ideas to market."

–Qualcomm Ventures

CB Insights, 9/23/14

Hawaii is Ideal Location for Initiatives in Innovation and Entrepreneurship

Test Bed for New Technologies

Renewable
Energy

Healthcare

Tourism

Agriculture

Entrepreneurial Training Opportunities



- ▶ First-world economy, manageable scale
- ▶ Innovation infrastructure
- ▶ Cultural alignment

Partnerships in Energy Innovation



HITACHI
Inspire the Next

MIZUHO



CyberDefense





Fund Executive Board

Michael
Hosokawa

Mark
Takahashi

Bill
Richardson

Joyce
Chung

Dawn
Lippert

ONR/DOE

Accelerator Support
/ Company Grants /
LAVA Match

Operating Agreement

DBEDT

HEI

HSDC

LAVA -
Accelerator
Support

Services Agreement

EEx Fund,
LLC

SSBCI
Match

Corporate
Investors

SSBCI

HSDC

Energy
Excelerator

Private
Investors

Accelerator
Services &
Company Grants

Follow-on
Investment Capital

Company
1

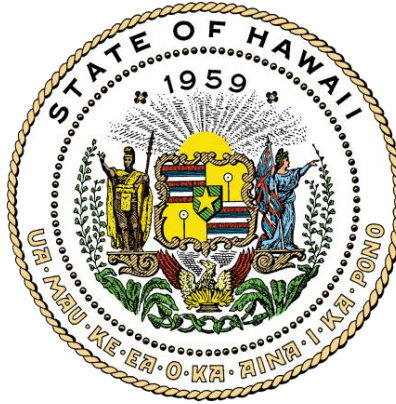
Company
2

Company
3

Company
4

Companies that
Qualify for Follow-
on

Cohort



Mahalo

Hawaii State Department of Business
Economic Development & Tourism
www.hawaii.gov/dbedt